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PP RUEHIK
DE RUEHAA #0185/01 0401058
ZNR UUUUU ZZH
P 091058Z FEB 10
FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC 4211
INFO RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUCNCIS/CIS COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHAK/AMEMBASSY ANKARA 6233
RUEHBJ/AMEMBASSY BEIJING 3909
RUEHKO/AMEMBASSY TOKYO 3768
RUEHIT/AMCONSUL ISTANBUL 4477
RUCNDT/USMISSION USUN NEW YORK 1475
RHMCSSU/CDR USCENTCOM MACDILL AFB FL
RUEHVEN/USMISSION USOSCE 4384
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC

UNCLAS SECTION 01 OF 02 ASHGABAT 000185

SENSITIVE

SIPDIS

STATE FOR SCA/CEN; EEB
COMMERCE FOR EHOUSE/DSTARKS

E.O. 12958: N/A
TAGS: BTIO ECON EINV PGOV SOCI TX
SUBJECT: FEW CASINOS IN TURKMENISTAN

REF: ASHGABAT 158

ASHGABAT 00000185 001.2 OF 002

¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) SUMMARY: Currently there are three casinos operating in Turkmenistan. A Turkish company owns all three. Former President Niyazov allowed the casinos to open in the 1990s, and the current president has shown no sign of closing them. At the same time, there are no plans to allow more casinos in the country, except perhaps in the Avaza Tourist Zone.
END SUMMARY.

¶2. (SBU) A little-known Turkish firm, Tursen, owns the three casinos in Turkmenistan. All three are located in Ashgabat. These casinos are: the Grand Casino in the Grand Turkmen Hotel, the Florida Casino in the Florida Restaurant and the Ak Altyn Casino in the Ak Altyn Plaza Hotel. As the largest of the three, the Grand Casino has 113 gaming tables and 150 slot and video poker machines. Former director of the Grand Turkmen Hotel Ishan Faizullayev told Embassy economic assistant that the casinos were established in 1994 with the blessing of former President Niyazov. Turkmen and foreign tourists reportedly frequented the casinos during the 1990s. Today, the three casinos appear to attract fewer and fewer gamblers.

¶3. (SBU) Faizullayev mentioned that Niyazov imposed maximum winnings of \$5,000 per game. He explained that during any given game, a person could only collect \$5,000, even if he won \$1 million from one slot machine pull. Faizullayev added that President Berdimuhamedov has not changed this policy. The State Committee for Tourism and Sports also receives some share of the casinos' profits. The percentage is unknown, as contracts, not gambling laws, regulate the percentage of profits to be paid to the government. In addition, the Committee for Tourism and Sports reportedly earns between \$300,000 to 500,000 per year from

renting hotel space to the casinos.

¶4. (SBU) As for clientele, wealthy Turkmen, their family members, and some foreigners frequent the casinos. For the children of some high-ranking officials, casinos are also popular hangouts. Casino reps added that rich Iranians seem to "drain their pockets" in Turkmen casinos, as gambling is illegal in Iran and Ashgabat is a convenient destination. In addition, the gaming tables have a minimum bet of \$5, while slot and video poker machines take \$1 minimum bets. However, since the average Turkmen earns between \$200 and \$300 a month, gambling is cost prohibitive for most Turkmen.

¶5. (SBU) There are no gambling regulations or laws in Turkmenistan. The GOTX approves a casino for operation by issuing a license. Obtaining a gambling license, however, can take years. At the same time, Berdimuhamedov has offered foreign investors the opportunity to open one major gambling complex in the Awaza national tourist zone on the Caspian coast (reftel). Foreign investors have reportedly been told that the licensing process would be expedited for an Avaza gaming complex. The Head of the Avaza Committee, who reports to the Turkmen President, recently stated that there will be one or two gambling facilities in Avaza, but no more, because President Berdimuhamedov does not want to detract from his goal of making Avaza a family-friendly vacation destination.

¶6. (SBU) COMMENT: Unlike many former Soviet republics, Turkmenistan has few casinos. These casinos cater to a small, elite crowd of rich and powerful Turkmen and well-off foreigners. Given the president's and government's conservative and cautious social policies, it is doubtful that the gaming industry will ever expand beyond some secluded

ASHGABAT 00000185 002.2 OF 002

rooms in a few hotels. END COMMENT.

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